

Message Text

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PAGE 01 STATE 022951

21

ORIGIN EB-07

INFO OCT-01 NEA-09 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/086 R

DRAFTED BY EB/OT/STA:ECONSTABLE:JH

APPROVED BY EB/OT/STA:WCLARK, JR.

TREAS:RSELF

NEA/INS:RMORLEY

FB/TCP/FTD:MSMITH (INFO)

----- 116881

R 311958Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: ETRD, IN

SUBJECT: COUNTERVAILING DUTIES: CAST IRON SOIL PIPE AND
COTTON AND MAN-MADE TEXTILES

REF: STATE 4741

1. ON JANUARY 16 INDIAN COMMERCIAL COUNSELOR ASRANI
CALLED ON TREASURY DEPUTY ASSISTANT SECRETARY FOR TARIFF
AFFAIRS SUCHMAN TO DISCUSS COUNTERVAILING DUTY COMPLAINTS.
SUCHMAN EXPLAINED THAT PUBLICATION OF COMPLAINTS WAS
PROCEDURAL REQUIREMENT AND DID NOT INDICATE THAT
TREASURY HAD DRAWN ANY CONCLUSIONS ABOUT THEIR VALIDITY.

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PAGE 02 STATE 022951

HE SAID INDIAN EMBASSY IN WASHINGTON WOULD SHORTLY RECEIVE

REQUEST FOR DATA REQUIRED FOR TREASURY INQUIRY.

2. ON JANUARY 28 CUSTOMS SENT LETTER TO EMBASSY ASKING FOR

INFORMATION RELATIVE TO FOLLOWING ALLEGATIONS MADE BY
COMPLAINANT: BEGIN QUOTE.

1. CASH ASSISTANCE PROGRAMS: DO EXPORTS OF CAST IRON
SOIL PIPE AND OF TEXTILES BENEFIT FROM ANY FORM OF CASH
ASSISTANCE OR INCENTIVES? FOR YOUR INFORMATION, TWO
BOOKLETS (IMPORT TRADE CONTROL POLICY 1968-69, EXPORT
ASSISTANCE) INDICATING SUCH ASSISTANCE ARE ENCLOSED. IF
SUCH ASSISTANCE IS PROVIDED, PLEASE SUBMIT THE PERCENTAGE
AMOUNT, THE PRECISE METHOD IN WHICH SUCH PAYMENT IS TEN-
DERED, APPROPRIATE STATUTES OR DECREES, AND IF POSSIBLE,

UPDATE COPIES OF THE ABOVE DECREES.

2. REBATE OF INDIRECT TAXES: DOES SUCH CASH ASSISTANCE
CONSTITUTE IN ANY WAY THE REFUND OR REBATE OF CERTAIN
TAXES PAID? IF SO, PLEASE LIST AND DESCRIBE THE VARIOUS
TAXES, GIVE THE ACTUAL AMOUNTS PAID BY SEVERAL REPRESENT-
ATIVE MANUFACTURERS OF EXPORTED CAST IRON SOIL PIPE
AND TEXTILES, AND DESCRIBE THE METHOD IN WHICH THE REFUND
OR REBATE IS APPLIED.

3. PREFERENTIAL TAX TREATMENT: DO EXPORTS OF CAST
IRON SOIL PIPE AND TEXTILES RECEIVE PREFERENTIAL TAX
TREATMENT OF ANY TYPE, SUCH AS INCOME TAX CONCESSIONS?
IF SO, PLEASE PROVIDE RELEVANT STATUTES, THE FORM AND

AMOUNT IN WHICH THE TAX BENEFIT IS RECEIVED, ANY
EXPLANATORY MATERIAL RELATING TO THE OPERATION OF SUCH TAX
INCENTIVE, AND WHETHER OR NOT THE TAXES ARE DIRECT OR
INDIRECT.

4. FREIGHT SUBSIDIES: DO EXPORTS OF CAST IRON SOIL
PIPE AND TEXTILES BENEFIT FROM PREFERENTIAL FREIGHT RATES?
IF SO, PLEASE PROVIDE RELEVANT STATUTES, DECREES, OR
REGULATIONS, THE FORM IN WHICH SUCH BENEFITS ARE RECEIVED,
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PAGE 03 STATE 022951

AND ANY EXPLANATORY MATERIAL RELATING TO THE OPERATION
OF FREIGHT SUBSIDIES.

5. OTHER EXPORT INCENTIVES: LIST ANY OTHER EXPORT
INCENTIVES, FOR EXAMPLE, THE IMPORT ENTITLEMENT SCHEME,
TO WHICH THE CAST IRON SOIL PIPE AND TEXTILES INDUSTRIES
ARE ENTITLED. ARE SUCH INCENTIVES AVAILABLE FOR DOMESTIC
PRODUCTION, OR ARE THEY SOLELY RELATED TO EXPORTS.

END QUOTE.

3. THE LETTER ASKS THAT BENEFITS RECEIVED UNDER ABOVE PROGRAMS BE QUANTIFIED WHERE POSSIBLE, BUSINESS CONFIDENTIAL DATA BE IDENTIFIED SO THAT IT CAN BE HANDLED IN CONFIDENCE, AND THAT GENERAL DATA ON TOTAL SALES, TOTAL EXPORTS AND EXPORTS TO THE U.S. (QUANTITY AND VALUE) BE PROVIDED. A REPLY WITHIN 30 DAYS IS REQUESTED. THE LETTER EXPLAINS THAT UNDER PROVISIONS OF TRADE ACT OF 1974 TREASURY MUST MAKE A TENTATIVE DETERMINATION AS TO EXISTENCE OF BOUNTIES OR GRANTS IN THIS CASE BY JULY 4, 1975.

4. ABOVE FURNISHED FOR EMBASSY INFORMATION ONLY. EMBASSY ASSISTANCE NOT REQUIRED AT THIS TIME BUT MAY BE REQUESTED AS INVESTIGATION PROCEEDS. REQUEST FOR DATA ON PROGRAMS LISTED IN QUESTIONNAIRE DOES NOT IMPLY THAT TREASURY HAS REACHED CONCLUSION AS TO WHETHER PROGRAMS CONSTITUTE A BOUNTY OR GRANT WITHIN MEANING OF U.S. LAW. KISSINGER

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Message Attributes

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Draft Date: 31 JAN 1975
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Disposition Authority: johnsorg
Disposition Case Number: n/a
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